



ARLINGTON COUNTY, VIRGINIA

County Board Agenda Item Meeting of July 7, 2007

DATE: June 18, 2007

SUBJECT: Request to Advertise “On the County Board’s Own Motion” a site plan amendment to modify a condition from an approved site plan: Condition #63 of Site Plan # 383 – The Hawthorn, North Pollard Street and Wilson Boulevard (approved April 24, 2004 and October 24, 2006).

C.M. RECOMMENDATION:

Authorize on the County Board’s own motion advertisement of a public hearing on the subject site plan amendment for the September 8, 2007 County Board meeting.

ISSUE: Should the time period for acquisition of the affordable condominium units for sale at market rates be extended until November 30, 2007?

SUMMARY: This request to advertise is for a public hearing on a Site Plan amendment to modify the existing affordable housing condition (#63). The condition describes the sale of the 11 affordable units and timeframe in which the sale is to be completed. The developer and the County were unable to complete the sale of the affordable units within the timeframe and therefore the timeframe needs to be extended in order to allow the sale to occur. The developer also stated that an extension would give them more time to sell their units and therefore not have their units compete with the 11 County units. An extension until November 30, 2007 would allow the developer and the County sufficient time to complete the purchase of the 11 affordable units. A public hearing on the proposed site plan amendment is required in order to extend the timeframe. Because the staff and the developer mutually agree with this request, it is recommended that the County Board authorize the advertisement of a public hearing on the subject Site Plan amendment at the September 8, 2007 County Board meeting.

BACKGROUND: On April 24, 2004, the County Board approved the Site Plan for the Hawthorn at North Pollard Street and Wilson Blvd. The recently completed 135-unit condominium building includes 11 affordable 2-bedroom units as part of the use of bonus density. The table below shows the number of affordable units, bedroom sizes, sales price, and area median income level served.

County Manager: _____

County Attorney: _____

Staff: Betts Abel, CPHD
David Cristeal, CPHD

Number of Units:	Bedroom Size:	Affordable Sales Price:	AMI Served:
11	2-Bedroom	\$129,000	60%

These units were to be sold to eligible households and to remain affordable for the life of the project. Two of the units were to be fully accessible.

On October 24, 2006, the County Board approved a site plan amendment for this project as well as for three other condominium projects with affordable housing units in the Rosslyn-Ballston Metro Corridor. The amendment allowed for the acquisition of the affordable units at the affordable prices by a County designee within specific time periods for resale at market-rate prices with the net proceeds coming to the County for use with other affordable housing projects (other affordable ownership opportunities in the metro corridor and Buckingham Villages). Staff estimates that the net proceeds from the sale of the affordable units would net the County approximately \$7 million.

DISCUSSION:

The developer of the Hawthorn has sold less than half of the market-rate units. A delay in the acquisition of the 11 affordable, 2-bedroom units until November 30, 2007 would allow the developer more time to sell the market-rate units and therefore not compete with the re-sale of the affordable units. The delay could also result in the County achieving a higher sales price for the affordable units (e.g. less competition and possibility that prices could actually rise). This could give the County more funds for its affordable housing efforts. The average price of units sold thus far is just under \$500/square foot. At this price, the apparent subsidy per unit would equal \$315,000 (e.g. the value that results from subtracting the affordable sales price from the market sales price). Anticipating that the eventual sales prices will equal or exceed the current prices, the County stands to gain approximately \$3 million from the sale of the 11 2-bedroom units. These funds would be used for affordable ownership opportunities in the metro corridor and for affordable housing in Buckingham Villages (with a priority for use for home ownership).

For the affordable housing site plan condition to be modified, a public hearing and action by the County Board is required. For such a hearing and action, the developer would either have to file for the site plan amendment or the County Board would have to initiate the amendment on its own motion. Because the developer did not originate this request and because the amendment could benefit the County, it is recommended that the County Board authorize, on its own motion, the advertisement for a public hearing on the subject site plan amendment at the September 8, 2007 County Board meeting. The Housing Commission will also consider the matter prior to the County Board meeting. Authorizing the advertisement of this site plan amendment does not imply that the County Board supports the proposed change. If the County Board authorizes the advertisement, a County Board public hearing date for the site plan amendment will be scheduled for the September 8, 2007 meeting.

SP # 383 – Wilson-Pollard (Hawthorn)

63. a. The developer agrees to make a total contribution of \$546,096 to the County's Housing Reserve Fund (HRF). The payment shall be made to the Department of Community Planning, Housing and Development and compliance with this condition shall be provided to the Zoning Administrator. The developer agrees that one-half of the total contribution (\$273,048) will be paid prior to the issuance of final building permit and the balance (\$273,048) will be paid before the issuance of the first Certificate of Occupancy Permit.
- b. The developer agrees to sell to the County or its designee the following properties:
Eleven 2-bedroom condominium units at a price of \$129,000 per unit.
- c. All of the above properties (units) will be sold simultaneously to the County or its designee and settlement will occur in a single transaction.
- d. The developer agrees to notify the County Manager, within 180 days after County Board approval of this revised condition 63: that the units are available for sale to the County; that Certificates of Occupancy have been issued for the units that will be sold; and that the units are complete and clean and ready for occupancy. The developer agrees that it will be ready, willing and able to close on the sales pursuant to the contract referenced in subpart 63.e of this condition ~~within 60 days after such notice to the County Manager, and that closing shall be consummated held within said 60 days no later than November 30, 2007. The County Manager may, at any time up to a date that is thirty (30) days after the date of that notification, notify the developer of the name of the County's designee. The County has designated AHC., Inc., as the County's designee to purchase the units. Upon such notification, The developer agrees that the County's designee may purchase the units referenced in this condition 63 under all terms and conditions that are applicable to a sale to the County. If the County and/or its designee do not perform within the stated time frames, the Developer is released of all obligations regarding the affordable units.~~
- e. The developer agrees that the sale will be completed according to the terms of the real estate sales contract for the Hawthorn on file with the Housing Division Office of the County's Department of Community Planning, Housing & Development, with such changes, additions or deletions that do not materially adversely affect the County's position that are agreed to by the developer and the County Manager with the consent of the County Attorney. The developer agrees that transaction costs payable to the developer and/or its designee by the County and/or its designee shall be only those applicable costs set forth in the sales contract.
- f. The developer agrees to fully cooperate with the County, its designee, and/or any assignee to complete the sales of the units.